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THE ESTIMATED EFFECTS OF VARIOUS POSSIBLE LEVELS OF WESTERN CREDITS TO THE USSR

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THE ESTIMATED EFFECTS OF VARIOUS POSSIBLE LEVELS OF WESTERN CREDITS TO THE USSR

The recently initiated Soviet campaign for larger Western credits and longer repayment terms springs primarily from the requirements of Khrushchev's dramatic program to expand the chemical industry that was announced in December 1963. It is estimated that the equipment required for the plastics, fertilizer, and synthetic fibers industries would cost some $5 billion, of which roughly $2 billion worth would need to be imported from the West in order to approach fulfillment of the plan goals on schedule. Of this amount, $1 billion probably could be financed without expanding the present level of credits or extending the terms of repayment, leaving $1 billion in imports to be financed by additional Western credits. These amounts, however, do not cover the needs for other Western equipment required for expansion of related industries and for the planned modernization of Soviet industry in other sectors as well. Although there is no specifiable requirement for these needs, within practical limits, from a Soviet point of view, the more imports and the more credits the better.

In order to estimate the likely effect of more liberal Western credits to the USSR, a variety of possible alternative extensions has been considered. A continuation of the current level of about $300 million annually -- to be repaid in 5 or 6 years -- would be of little added benefit to the USSR because past extensions have resulted in repayment obligations and interest charges that now approximate the annual extensions. At the other extreme, if the Soviet leaders could persuade the Western European nations and Japan to extend $1 billion annually in new credits on 15-year repayment terms, the USSR would be able to add well in excess of $3 billion worth of high-priority machinery and equipment to the quantities that could otherwise be imported. Such credits should be enough to provide the USSR with the quantities of Western chemical equipment that are needed -- over and above quantities produced in the USSR and the Eastern European Satellites.

The impact of any level of credits would be significantly greater than the dollar amount suggests. The imported equipment, embodying advanced technology, could be manufactured within the USSR only by diverting scarce manpower and technical resources away from high-priority national programs, including those for advanced weapons, and then only after a period of development that would retard the

entire chemical program. The productive capacity of Western European and Japanese equipment firms would permit them to manufacture and export to the USSR advanced equipment up to the full amount of credits likely to be granted. In other words, the limitation on exports to the USSR is the extent of credits, not the ability of Western Europe and Japan to supply machinery.

Unless the Soviet economy falters, it should grow rapidly enough over the next 10 to 15 years to increase its exports to the West by about 5 percent a year. Under these conditions the USSR could service the necessary repayments on credits. The credits themselves would provide the USSR with additional productive capacity that would help to furnish the needed exports.

I. Alternative Credit Patterns

The tables contained in this publication present several projections of Soviet trade with the industrial West* under alternative assumptions as to the amount and repayment period of Western credit. Table 1 gives past and projected exports from the USSR to the industrial West, 1955-79. Tables 2 through 6 are projections of annual net credits after repayments and interest charges.**

Tables 7 through 11 contain projections of Soviet trade, both exports and imports. These are derived from the projections of exports in Table 1 and the projections of alternative credit patterns in Tables 2 through 6, plus the assumption that the USSR will sell $150 million of gold annually after 1964.*** Shipping charges and other hard currency deficits are projected at a constant level of $190 million. More than half of this amount consists of purchases from countries other than those of the industrial West -- for example, purchases of natural rubber. It is assumed that a slowly increasing share of imports will be carried in Bloc shipping rather than in chartered shipping.

* The term industrial West as used in this publication refers to Western Europe, US, Canada, Japan, Australia, and New Zealand.
** Interest charges were computed at the rate of 5 percent annually. For the longer term loans, there may be higher rates, but the excess over 5 percent may be reflected -- at least in some cases -- in a higher price for the imported product rather than a higher rate on the loan.
*** For the historical data on Soviet trade, credit, and gold on which these projections are based, see CIA/RR EM 63-39, The Soviet Need for Credits, December 1963, SECRET.

The pattern of credit of the last few years has been $300 million of new credits annually to be repaid in 5 or 6 years. However, repayments and interest have grown to the extent that the net credit in 1963 is estimated at only $61 million. If this pattern ($300 million at 6 years) continues, the repayments and interest would grow so that net credit in 1964 would be only $16 million (see Table 2). In 1968 the repayments would equal new credit and net credit would be a minus $38 million, which in this case is the amount of the interest payments.

As might be expected, an increase in credit or an extension of the repayment period increases the net credit over the shorter term (see Tables 2 through 6). The following tabulation shows the cumulative net credit for the five alternative credit patterns for the years 1964-69:

Pattern of Credit (Million US $)	Cumulative Net Credit 1964-69
300 at 6 years (Table 2)	-29
500 at 6 years (Table 3)	381
500 at 10 years (Table 4)	1,021
500 at 15 years (Table 5)	1,342
1,000 at 15 years (Table 6)	3,126

Thus, for example, if Western credits are increased to $500 million annually and the repayment term lengthened to 10 years, cumulative net credits for the 6 years 1964-69 would be $1,021 million, or $1,050 million more than if credit were not increased or were lengthened from the present pattern of $300 million at 6 years. An increase to $500 million without lengthening the repayment period has a much more moderate effect -- only $410 million more net credit than the current pattern over the 6 years.

Because gold sales, other hard currency deficits, and exports are taken as the same in each pattern (see Tables 7 through 11), the determinant of the level of imports under each pattern is the amount of cumulative net credit assumed to be available. Thus new credits of $500 million annually at 10 years would permit $1,050 million more imports by the USSR over the next 6 years than the current credit patterns.

Given the present Soviet economic situation, it may be assumed that the new credits would be obtained only for the purchase of machinery and

equipment. The net credits and the increased imports that they finance can thus be compared with Soviet imports of equipment from the industrial West, which were $600 million in 1962. In the absence of expanded credit, imports of machinery and equipment might continue at about this level for the next 6 years, 1964-69, for a cumulative total of $3,600 million. Credits of $500 million with a 10-year repayment period would increase such imports by more than one-fourth, adding $1,050 million to the $3,600 million. Credits of $1,000 million with a 15-year repayment period would increase such imports by 88 percent, adding $3,155 million to the $3,600 million.

II. Impact of Credits on the Soviet Economy

Soviet imports of machinery from the industrial West have increased rapidly since 1955, from $236 million in 1956 to $600 million in 1962 and from 41 percent of total imports from the West to 47 percent. This rapid increase in imports of machinery (an average increase of 17 percent per year) has been of considerable assistance to the Soviet program for modernizing industry and diversifying its product mix. With the best design and engineering talent absorbed in military and space research and development, many ambitious industrial projects and plans -- for example, automation -- have fallen behind. For such new products as synthetic fibers, polyethylene plastics, and urea fertilizer the USSR has depended largely on imported plants. Although the Soviet machinery industry has a massive annual output of almost all kinds of producer durables, these have not kept pace in productivity with that of comparable equipment in the industrial West. Thus the USSR has steadily increased imports of high-speed, highly productive plants in many categories -- cement plants, mining machinery, electronic-components-making machinery, textile machinery, and rolling mills, to name only a few. The USSR has a considerable comparative advantage in importing these items because of the high cost of producing additional quantities of such equipment domestically.

The current Soviet drive for increased credits and longer repayment terms stems in the first instance from the requirements of the large new program for expanding the chemical industry that was announced by Khrushchev on 9 December 1963. The highlights of the plan are production in 1970 of 70 million to 80 million tons of fertilizer (up from 20 million in 1963), 1.35 million tons of synthetic fibers (up from 0.3 million), and 3.5 million to 4.0 million tons of plastics (up from 0.6 million). On the basis of contract prices in past purchases of imported plants in these

fields, it is estimated that the equipment part of the investment in the plastics, fertilizer, and fibers programs would be valued in Western prices at some $5 billion.* Of the $5 billion, it is estimated that as much as $2 billion would need to be imported from the industrial West if the program is to approach fulfillment on schedule. In the absence of additional credit, imports of $1 billion of chemical equipment over the next 6 years probably could be financed by gold sales and by exports without squeezing other standard imports excessively. Imports of chemical equipment from the industrial West in 1962 totaled about $88 million.

Modernization is required, however, for more than the chemical industry. Throughout Soviet industry the familiar pattern of mass production of a limited range of standard models has generated diminishing returns in the efficiency of investment and in consumer welfare. The current stage of technology depends heavily on skilled engineers and sophisticated equipment to produce a high-quality product. These resources have been concentrated mainly in military and space hardware in the USSR. For example, capacity in modern oil refineries and for the latest type of synthetic rubber also are pressing needs, as well as are textile equipment designed to handle the new fibers and machinery for fabricating plastics. In addition, however, a host of importable items in traditional fields such as metal fabricating, construction materials, and shipping probably are equally needed investment goods.

The needs of the USSR for imports of Western machinery are thus quite elastic. There is no specifiable "requirement." For all practical purposes, the more imports, the better; thus the more credit from the West, the better. That is, the quantity of Western machinery whose net marginal productivity in the USSR exceeds the interest charge on loans is very large -- much larger than any quantities of imports projected in the attached tables.

It is equally impossible to specify the amount of credit that may be denied to the USSR by a Western agreement to limit repayment terms. There is no way of estimating how much Western credits would expand in the absence of credit limits. The five cases in the attached tables are believed to blanket the practical possibilities for credit.

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* This is a preliminary estimate that includes not only the price of equipment but also charges for design and other technical services and for installation.

The additional net credits considered in the tables range up to $3 billion over 6 years. Even the maximum amount is some small fraction of the total investment in the chemical industry that the USSR will carry out with domestic resources (25 billion rubles, or some similar magnitude of dollars). In any of these cases, each dollar's worth of equipment imported on credit provides the USSR with a resource that could be produced domestically only by reducing other activities by several rubles. The special character of this equipment is such that the highest quality of manpower and materials are required to produce it. This manpower and materials are now found chiefly in the various phases of military and space activities -- research and development, construction and installation of equipment, and production.

Finally, the imported equipment will serve more efficiently than domestic equipment to increase future exports or to reduce imports of nonmachinery items. Imported ships, synthetic rubber capacity, fertilizer plants, synthetic fiber plants, metal fabricating capacity, and logging and wood-processing machinery -- all will help to reduce imports or to increase exports.

III. Supply of Western Equipment

There appears to be little doubt that the industrial West could supply $2 billion or more of chemical equipment over 7 years, or an average of $300 million per year. In both 1960 and 1961 the industrial West supplied $130 million in chemical equipment, and there is no indication that capacity was strained. Even without the US, it is likely that Western Europe and Japan could meet most of any likely Soviet demand except for some types of petrochemical equipment. However, if expansion of capacity in some Western countries were made necessary by Soviet demand -- a likely development if the full Soviet program is carried out -- competition among the Western countries in extending generous credit terms and interest rates would be correspondingly moderated.

US capacity for producing chemical equipment probably is of the same magnitude as the rest of the world. Over-all investment in the US chemical industry has been around $1.6 billion annually for the last 3 years. Thus the US probably could supply Soviet import requirements for chemical equipment by itself if it chose. The effect of US entry into the market would be to sharpen competition among Western suppliers drastically, to reduce interest rates further, and to increase the length of credit terms.

IV. The Repayments Problem

In all of the projections, except for the continuation of the present pattern, imports rise steadily after 1964. To the extent that exports fail to rise as much as projected, then imports would have to rise less. This kind of development would result in a payments problem only to the extent that the USSR misplanned its level of imports. Gold sales have been projected at $150 million annually, which, after allowing for domestic uses, is equivalent to about $200 million of gold production -- the expected level of output in 1965. Although production of gold could rise above this level and thus diminish the need for credits, gold mining is an industry of high and increasing marginal costs in the USSR, and sharp increases in output are not expected. Finally, freight charges and other deficit items possibly may decline as Bloc shipping grows and as domestic production of synthetics replaces such imports as natural rubber.

The projections in Tables 7 through 11 do not suggest an unmanageable repayments problem. Even a sudden halting of new credits need not create an insurmountable problem for the USSR. The halting of new credit could produce a corresponding decline in imports of machinery, for the new credits are tied to such imports. It should also be noted that a unilateral cessation of new credits by the West could cause the USSR -- as another alternative -- to feel justified in stopping repayments and interest on all old credits or threatening to do so in order to negotiate arrangements for refinancing.

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Table 1

USSR: Exports to the Industrial West
1955-63 and Projected 1964-79

Million Current US $

Year	Petroleum	Grain	Other	Total
1955	45	48	451	544
1956	63	54	480	597
1957	96	68	526	690
1958	90	63	517	670
1959	153	99	603	855
1960	189	85	699	973
1961	214	128	718	1,060
1962	243	93	769	1,105
1963 a/	260	40 b/	807	1,107
1964	280		848	1,128
1965	300		890	1,190
1966	311		934	1,245
1967	322		981	1,303
1968	334		1,030	1,364
1969	346		1,082	1,428
1970	358		1,136	1,494
1971	371		1,193	1,564
1972	384		1,252	1,636
1973	398		1,315	1,713
1974	412		1,381	1,793
1975	427		1,450	1,877
1976	443		1,522	1,965
1977	459		1,598	2,057
1978	475		1,678	2,153
1979	492		1,762	2,254

a. The exports of Petroleum and Other for 1963 are estimated from fragmentary evidence. The projected exports of Petroleum for 1964 and 1965 are based on a study of Soviet exportable surplus and marketing potential. Beyond 1965, exports of petroleum are assumed to grow at a much slower rate, about 3.6 percent annually. All other exports are assumed to grow at 5 percent annually -- the same as the expected growth of Soviet GNP.
b. Some sales of grain were carried out in the first half of 1963 before the extent of the harvest failure became clear. The figure of $40 million is a rough estimate.

Table 2

USSR: Projected Net Credits If New 6-Year Credits of $300 Million Are Available Annually

Million Current US $

Year	New Credits	Repayments	Interest	Net Credits	Outstanding Debt End of Year
1963	300	215	24	61	575
1964	300	255	29	16	620
1965	300	260	31	9	660
1966	300	260	33	7	700
1967	300	250	35	15	750
1968	300	300	38	-38	750
1969 a/	300	300	38	-38	750

a. The rows for succeeding years are identical with 1969.

Table 3

USSR: Projected Net Credits If New 6-Year Credits of $500 Million Are Available Annually After 1963

Million Current US $

Year	New Credits	Repayments	Interest	Net Credits	Outstanding Debt End of Year
1963	300	215	24	61	575
1964	500	288	29	183	787
1965	500	327	39	134	960
1966	500	360	48	92	1,100
1967	500	383	55	62	1,217
1968	500	467	61	-28	1,250
1969 a/	500	500	62	-62	1,250

a. The rows for succeeding years are identical with 1969.

Table 4

USSR: Projected Net Credits from the Industrial West
If New 10-Year Credits of $500 Million
Are Available Annually After 1963

Million Current US $

Year	New Credits	Repayments	Interest	Net Credits	Outstanding Debt at the End of the Year
1963	300	215	24	61	575
1964	500	255	29	216	820
1965	500	260	41	199	1,060
1966	500	260	53	187	1,300
1967	500	250	65	185	1,550
1968	500	300	78	122	1,750
1969	500	300	88	112	1,950
1970	500	350	98	52	2,100
1971	500	400	105	-5	2,200
1972	500	450	110	-60	2,250
1973 a/	500	500	112	-112	2,250

a. The rows for succeeding years are identical with 1973.

Table 5

USSR: Projected Net Credits from the Industrial West If New 15-Year Credits of $500 Million Are Available Annually After 1963

Million Current US $

Year	New Credits	Repayments	Interest	Net Credits	Outstanding Debt at the End of the Year
1963	300	215	24	61	575
1964	500	238	29	233	837
1965	500	227	42	231	1,110
1966	500	210	56	234	1,400
1967	500	183	70	247	1,717
1968	500	217	86	197	2,000
1969	500	200	100	200	2,300
1970	500	233	115	152	2,567
1971	500	267	128	105	2,800
1972	500	300	140	60	3,000
1973	500	333	150	17	3,167
1974	500	367	158	-25	3,300
1975	500	400	165	-65	3,400
1976	500	433	170	-103	3,467
1977	500	467	173	-140	3,500
1978 a/	500	500	175	-175	3,500

a. The rows for succeeding years are identical with 1978.

Table 6

USSR: Projected Net Credits from the Industrial West If New 15-Year Credits of $1,000 Million Are Available Annually After 1964

Million Current US $

Year	New Credits	Repayments	Interest	Net Credits	Outstanding Debt End of Year
1963	300	215	24	61	575
1964	500	238	29	233	837
1965	1,000	260	42	698	1,577
1966	1,000	277	79	644	2,300
1967	1,000	283	115	602	3,017
1968	1,000	350	151	499	3,667
1969	1,000	367	183	450	4,300
1970	1,000	433	215	352	4,867
1971	1,000	500	244	256	5,367
1972	1,000	567	268	165	5,800
1973	1,000	633	290	77	6,167
1974	1,000	700	308	-8	6,467
1975	1,000	767	323	-90	6,700
1976	1,000	833	335	-168	6,867
1977	1,000	900	343	-243	6,967
1978	1,000	967	348	-315	7,000
1979 a/	1,000	1,000	350	-350	7,000

a. The rows for succeeding years are identical with 1979.

Table 7

Projected Soviet Trade with the Industrial West
Case I a/

Million Current US $

Year	Exports b/ (f.o.b.)	Imports b/ (f.o.b.)	Trade Deficit With West	Freight Charges and Other Deficit	Total Hard Currency Deficit	Total Financing	Net Credits	Gold Sales
1962	1,105	1,265	-160	-190	-350	327	117	210
1963 c/	1,107	1,417 d/	-310	-190	-500	561	61	500
1964	1,128	1,615 d/	-487	-190	-677	616	16	600
1965	1,190	1,159	31	-190	-159	159	9	150
1966	1,245	1,212	33	-190	-157	157	7	150
1967	1,303	1,278	25	-190	-165	165	15	150
1968	1,364	1,286	78	-190	-112	112	-38	150
1969	1,428	1,350	78	-190	-112	112	-38	150
1970	1,494	1,416	78	-190	-112	112	-38	150

a. Assuming a continuation of new Western credits of $300 million annually with a 6-year repayment period (see Table 2).

b. Beyond 1965, exports are estimated as shown in Table 1, and imports are estimated on the basis of their function in the availability of credit.

c. Exports, imports, freight charges and other deficit, net credits, and gold sales for 1963 are preliminary estimates. The excess of total financing over total deficit by $61 million is assumed to consist of hard currency holdings that are to be expended in 1964.

d. Including $150 million of grain purchases in 1963 and $405 million in 1964 and excluding purchases of US grain (including rice), which total $86 million to date. Other imports are thus assumed to be $1,267 million in 1963 and $1,210 million in 1964.

Table 8

Projected Soviet Trade with the Industrial West
Case II a/

Million Current US $

Year	Exports b/ (f.o.b.)	Imports b/ (f.o.b.)	Trade Deficit With West	Freight Charges and Other Deficit	Total Hard Currency Deficit	Total Financing	Net Credits	Gold Sales
1962	1,105	1,265	-160	-190	-350	327	117	210
1963 c/	1,107	1,417 d/	-310	-190	-500	561	61	500
1964	1,128	1,782 d/	-654	-190	-844	783	183	600
1965	1,190	1,284	-94	-190	-284	284	134	150
1966	1,245	1,297	-52	-190	-242	242	92	150
1967	1,303	1,325	-22	-190	-212	212	62	150
1968	1,364	1,296	68	-190	-122	122	-28	150
1969	1,428	1,326	102	-190	-88	88	-62	150
1970	1,494	1,392	102	-190	-88	88	-62	150

a. Assuming that new Western credits are $500 million annually beginning in 1964 with a 6-year repayment period (see Table 3).
b. Beyond 1965, exports are estimated as shown in Table 1, and imports are estimated on the basis of their function in the availability of credit.
c. Exports, imports, freight charges and other deficit, net credits, and gold sales for 1963 are preliminary estimates. The excess of total financing over total deficit by $61 million is assumed to consist of hard currency holdings that are to be expended in 1964.
d. Including $150 million of grain purchases in 1963 and $405 million in 1964 and excluding all purchases of US grain (including rice), which total $86 million to date.

Table 9

Projected Soviet Trade with the Industrial West
Case III a/

Million Current US $

Year	Exports b/ (f.o.b.)	Imports b/ (f.o.b.)	Trade Deficit With West	Freight Charges and Other Deficit	Total Hard Currency Deficit	Total Financing	Net Credits	Gold Sales
1962	1,105	1,265	-160	-190	-350	327	117	210
1963 c/	1,107	1,417 d/	-310	-190	-500	561	61	500
1964	1,128	1,815 d/	-687	-190	-877	816	216	600
1965	1,190	1,349	-159	-190	-349	349	199	150
1966	1,245	1,392	-147	-190	-337	337	187	150
1967	1,303	1,448	-145	-190	-335	335	185	150
1968	1,364	1,446	-82	-190	-272	272	122	150
1969	1,428	1,500	-72	-190	-262	262	112	150
1970	1,494	1,506	-12	-190	-202	202	52	150
1971	1,564	1,519	45	-190	-145	145	-5	150
1972	1,636	1,536	100	-190	-90	90	-60	150
1973	1,713	1,561	152	-190	-38	38	-112	150
1974	1,793	1,641	152	-190	-38	38	-112	150

a. Assuming that new Western credits are $500 million annually beginning in 1964 with a 10-year repayment period (see Table 4).
b. Beyond 1965, exports are estimated as shown in Table 1, and imports are estimated on the basis of their function in the availability of credit.
c. Exports, imports, freight charges and other deficit, net credits, and gold sales for 1963 are preliminary estimates. The excess of total financing over total deficit by $61 million is assumed to consist of hard currency holdings that are to be expended in 1964.
d. Including $150 million of grain purchases in 1963 and $405 million in 1964 and excluding all purchases of US grain (including rice), which total $86 million to date.

Table 10

Projected Soviet Trade with the Industrial West
Case IV a/

Million Current US $

Year	Exports b/ (f.o.b.)	Imports b/ (f.o.b.)	Trade Deficit With West	Freight Charges and Other Deficit	Total Hard Currency Deficit	Total Financ-ing	Net Credits	Gold Sales
1962	1,105	1,265	-160	-190	-350	327	117	210
1963 c/	1,107	1,417 d/	-310	-190	-500	561	61	500
1964	1,128	1,832 d/	-704	-190	-894	833	233	600
1965	1,190	1,381	-191	-190	-381	381	231	150
1966	1,245	1,439	-194	-190	-384	384	234	150
1967	1,303	1,510	-207	-190	-397	397	247	150
1968	1,364	1,521	-157	-190	-347	347	197	150
1969	1,428	1,588	-160	-190	-350	350	200	150
1970	1,494	1,606	-112	-190	-302	302	152	150
1971	1,564	1,629	-65	-190	-255	255	105	150
1972	1,636	1,656	-20	-190	-210	210	60	150
1973	1,713	1,690	23	-190	-167	167	17	150
1974	1,793	1,728	65	-190	-125	125	-25	150
1975	1,877	1,772	105	-190	-85	85	-65	150
1976	1,965	1,822	143	-190	-47	47	-103	150
1977	2,057	1,877	180	-190	-10	10	-140	150
1978	2,153	1,938	215	-190	25	-25	-175	150
1979	2,254	2,039	215	-190	25	-25	-175	150

a. Assuming that new Western credits are $500 million annually beginning in 1964 with a 15-year repayment period (see Table 5).
b. Beyond 1965, exports are estimated as shown in Table 1, and imports are estimated on the basis of their function in the availability of credit.
c. Exports, imports, freight charges and other deficit, net credits, and gold sales for 1963 are preliminary estimates. The excess of total financing over total deficit by $61 million is assumed to consist of hard currency holdings that are to be expended in 1964.
d. Including $150 million of grain purchases in 1963 and $405 million in 1964 and excluding all purchases of US grain (including rice), which total $86 million to date.

Table 11

Projected Soviet Trade with the Industrial West
Case V a/

Year	Exports b/ (f.o.b.)	Imports b/ (f.o.b.)	Trade Deficit With West	Freight Charges and Other Deficit	Total Hard Currency Deficit	Total Financing	Net Credits	Gold Sales
1962	1,105	1,265	-160	-190	-350	327	117	210
1963 c/	1,107	1,417 d/	-310	-190	-500	561	61	500
1964	1,128	1,832 d/	-704	-190	-894	833	233	600
1965	1,190	1,848	-658	-190	-848	848	698	150
1966	1,245	1,849	-604	-190	-794	794	644	150
1967	1,303	1,865	-562	-190	-752	752	602	150
1968	1,364	1,823	-459	-190	-649	649	499	150
1969	1,428	1,838	-410	-190	-600	600	450	150
1970	1,494	1,806	-312	-190	-502	502	352	150
1971	1,564	1,780	-216	-190	-406	406	256	150
1972	1,636	1,761	-125	-190	-315	315	165	150
1973	1,713	1,750	-37	-190	-227	227	77	150
1974	1,793	1,745	48	-190	-142	142	-8	150
1975	1,877	1,747	130	-190	-60	60	-90	150
1976	1,965	1,757	208	-190	18	-18	-168	150
1977	2,057	1,774	283	-190	93	-93	-243	150
1978	2,153	1,798	355	-190	165	-165	-315	150
1979	2,254	1,864	390	-190	200	-200	-350	150

a. Assuming that new Western credits are $500 million in 1964 and $1,000 million annually thereafter with a 15-year repayment period (see Table 6).
b. Beyond 1965, exports are estimated as shown in Table 1, and imports are estimated on the basis of their function in the availability of credit.
c. Exports, imports, freight charges and other deficit, net credits, and gold sales for 1963 are preliminary estimates. The excess of total financing over total deficit by $61 million is assumed to consist of hard currency holdings that are to be expended in 1964.
d. Including $150 million of grain purchases in 1963 and $405 million in 1964 and excluding all purchases of US grain (including rice), which total $86 million to date.

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